

APPENDIX A

This proceeding is not a contested case under Wis. Stat. Ch. 227, therefore there are no parties to be listed or certified under Wis. Stat. § 227.47. However, an investigation was conducted and the persons listed below participated.

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**Docket** 8225-TI-102

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## APPENDIX B

### Exchanges Served by Rural Incumbent Local Exchange Carriers for which ETC Status was Requested

Rural Incumbent LEC	Exchanges for which ETC Status WAS Requested	Exchanges for which ETC Status WAS NOT Requested
Amherst Telephone Company	Adair, Custer, Reelfoot	(none)
Belmont Telephone Co.	Belmont	(none)
Bergen Telephone Co.	Bergen	(none)
Black Earth Telephone Co.	Black Earth	(none)
Burlington, Brighton and Wheatland Tel. Co.	Bohners Lake, Wheatland	(none)
Central State Telephone Co.	Auburndale, Junction City, Lindsey, Necedah, Pittsville, Vesper,	Cranmoor, Mill Creek
CenturyTel of Fairwater (Brandon Alto, LLC (1910))	Brandon	(none)
CenturyTel of Forestville, LLC (2050)	Brussels, Forestville, Little Sturgeon	(none)
CenturyTel of Central Wisconsin, LLC (2055)	Alma Center, Arcadia, Argyle, Bangor, Black Creek, Black River Falls, Benton <sup>CC</sup> , Blair, Centerville, Darlington, Denmark, Ettrick, Fairchild, Fountain City, Galesville, Gratiot, Holmen, Hixton, Kingston, Luxemburg, Markesan, Melrose, Merrilan, Mindoro, Montfort, Muscoda, New Franklin, Nichols, Osseo, Pickett, Rosendale, Seymour, Shiocton, Shullsburg, Taylot, Trempealeau, Wautoma, Whitehall, Wiota	Augusta, Cleghorn, Fall Creek

<b>Rural Incumbent LEC</b>	<b>Exchanges for which a NO Status WAS Requested</b>	<b>Exchanges for which a YES Status WAS NO Requested</b>
CenturyTel of the Midwest – Kendall, LLC (2815)	Baraboo, Berlin, Green Lake, Kendall, Mazomanie, North Freedom, Princeton, Red Granite	Ashland, Bayfield, Cornell, Hurley, Saxon, Ladysmith, Marinette, McAllister, Oconto, Oconto Falls, Peshtigo, Stanley, John, Pattison, Washburn
CenturyTel of Monroe County, LLC (3810)	Cashton, Cataract, Norwalk, Ontario, Sparta, Wilton	(none)
CenturyTel of Larsen-Readfield, LLC (3070)	Larsen, Readfield	(none)
CenturyTel of Southern Wisconsin, LLC (4590)	Cambria, Fall River, Fox Lake, Rio, Randolph	(none)
CenturyTel of the Midwest – Wisconsin, LLC (4260)	Avoca, Boscobel, Casco <sup>1</sup> , DeForest, Delafield, Dousman, Eagle, East Troy, Footville <sup>W</sup> , Fremont <sup>CM</sup> , Genesee, Hazel Green <sup>1</sup> , Highland, Milton <sup>CM</sup> , Mt. Zion, Mukwanago, Neskoro, North Prairie, Platteville <sup>1</sup> , Poynette, Poysippi <sup>CM</sup> , Ripon, Steuben, Sullivan, Tomah, Warrens, Wayside <sup>W</sup> , Weyawega <sup>C</sup> , Wild Rose, Wonevot	Amberg, Boyd, Cadott, Chetek, Coleman, Crivitz, Cumberland, , Goodman, Harmony, Lena, Pembine, Sarona, Shell Lake, Spooner, Thorp, Turtle Lake, Twin Bridge, Wausaukee
CenturyTel of Wisconsin, LLC (2930)	Onalaska, Lacrosse, West Salem,	(none)
Citizen's Telecommunications Company, of Illinois	East Dubuque	Fairplay
Cochrane Cooperative Telephone Company	Chochrane, Waumandee	(none)
Coon Valley Fanners Telephone Company	Coon Valley, Chaseburg, Stoddard	(none)
Cuba City Telephone Company	Cuba City	(none)
Dickeyville Telephone Company	Dickeyville	(none)

Rural Incumbent LEC	Exchanges for which LEC Status WAS Requested	Exchanges for which LEC Status WAS NOT Requested
EastCoast Telecom, I	Cleveland, Collins, Howard's Grove, St. Nazianz, Valders	(none)
Farmers Telephone Co.	Beetown, Cassville, Lancaster, Potosi	(none)
Frontier Communications of Mondovi, Inc.	Mondovi	(none)
Frontier Communications of Wisconsin, Inc.	Bear Creek, Clintonville, Marion, Tigerton	Bowler, Cecil, Gresham, Keshena, Neopit, Shawno
Frontier Communicaitons of Viroqua, Inc.	Viroqua	(none)
Grantland Telecom, Inc.	Bagley, Bloomington, Fennimore, Mount Hope, Woodman,	(none)
Hillsboro Telephone Co.	Hillsboro	(none)
La Valle Telephone Cooperative, Inc.	Cazenovia, La Valle	(none)
Lakefield Telephone Company	Newton, Newtonburg	(none)
Lemonweir Valley Telephone Co.	Camp Douglas, New Lisbon	(none)
Manawa Telephone Company	Manawa, Ogdensburg	(none)
Marquette-Adams Telephone Cooperative, Inc.	Brooks, Endeavor, Oxford, Packwaukee,	Easton, FCI, Jordan Lake,
Mid-Plains Telephone, Inc.	Cross Plains, Middleton	(none)
Mt. Horeb Telephone Co.	Mt. Horeb	(none)
Mt. Vernon Telephone Co.	Mt. Vernon, New Glarus, Verona	(none)
Nelson Telephone Cooperative	Durand, Gilmanston, Nelson	Arkansaw
Northeast Telephone Co.	Mill Center, Pulaski, Oneida	Krakow
Richland Grant Telephone Coop., Inc.	Bluc River, Boaz, Gays Mills, Sabin, Soldier's Grove	(none)
Riverside Telcon, Inc.	Johnson Creek, Recseville	(none)
Scandinavia Telephone Co.	Iola, Scandinavia	(none)

Rural Incumbent LEC	Exchanges in which EPC Status WAS Requested	Exchanges in which EPC Status WAS NOT Requested
Sharon Telephone Co.	Sharon	(none)
Southeast Telephone Co.	Waterford, Wind Lake	(none)
State Long Distance Telephone Co.	Elkhorn	Lauderdale
Stockbridge & Shenvood Telephone Co.	Hilbert, Stockbridge, Tisch Mills	Shenvood
Telephone USA of Wisconsin. LLC	Eastman, Prairie Du Chein, Seneca, Wauzeka	Balsam Lake, Barrow, Birchwood, Boyceville, Butternut, Centuria, Colfax, Elk Mound, Elmwood, Gillett, Glenwood City, Glidden, Hayward, Knapp, Lakewood, Laona, Maiden Rock, Mellen, <b>Park Falls</b> , Pepin, Plum City, Prescott, Rice Lake, Saint Croix Falls, Spider <b>Lake</b> , Springbrook, Stone Lake, Suring, Wabeno, Wheeler, Winter.
Tenney Telephone Company	Alma	(none)
Tri-County Telephone Cooperative, Inc.	Eleva, Independence, Northfield, Pigeon Falls, Pleasantville, Strum	(none)
Union Telephone Co.	Almond, Coloma, Hancock, Plainfield	(none)
UTELCO, Inc.	Albany, Blanchardville, Browntown, Juda, Monticello, Monroe, South Wayne, Woodford	(none)
Vernon Telephone Cooperative	Desoto, Genoa, La Farge, Liberty Pole, Readstown, Viola, Westby, Yuba	(none)
Waunakee Telephone Co.	Waunakee	(none)
Wood County Telephone Co.	Nekoosa, Port Edwards, Rudolph, Wisconsin Rapids	

<sup>6</sup> In it's application, **US** Cellular incorrectly identified this exchange as being served by CenturyTel of the Midwest - Wisconsin – Casco.

<sup>N</sup> In it's application, US Cellular incorrectly identified this exchange as being served by CenturyTel of the Midwest - Wisconsin, Inc. - Northwest.

<sup>W</sup> In it's application, US Cellular incorrectly identified this exchange as being served by CenturyTel of the Midwest - Wisconsin - Wayside.

<sup>P</sup> In it's application, US Cellular incorrectly identified this exchange as being served by CenturyTel of the Midwest - Wisconsin - Platteville.

<sup>CM</sup> In it's application, US Cellular incorrectly identified this exchange as being served by CenturyTel of the Midwest - Wisconsin - CENCOM. Poysippi was identified as Pine Riv (sic).

### **Wire Centers Served by Non-rural Incumbent Local Exchange Carriers for which ETC Status was Requested**

#### **Wire Centers served by SBC Ameritech:**

<b><u>DOMSWITCH</u></b>	<b><u>CITY</u></b>	<b><u>DOMSWITCH</u></b>	<b><u>CITY</u></b>
ALGMWI11RSO	ALGOMA	HOVLWI12RSO	HORTONVILLE
APPLWIO1DSO	APPLETON	HRCNWI11RSO	HORICON
BELTWIO1DSO	BELOIT	HRFRWI11RSO	HARTFORD
BFTWWI11RS1	WAUKESHA	HRLDWI11IDSA	HARTLAND
BGBNW111RSO	BIG BEND	JCSNW111IDSA	JACKSON
BRFDWI11RS3	BROOKFIELD	JFSNW111RSO	JEFFERSON
BURLWI11RSO	BURLINGTON	JNVLWIO1DSO	JANESVILLE
BVDMWIO1DSO	BEAVER DAM	JUNEW111RSO	JUNEAU
CDBGWI15DSO	CEDARBURG	KAUKWI11RSO	KAUKAUNA
CLDNWI14RS0	CALEDONIA	KENOWIO1DSO	KENOSHA
CLMBWI11RSO	COLUMBUS	KENOW111IDSA	KENOSHA
DEPRWI11DSO	DE PERE	KEWNWI11RSO	KEWAUNEE
DLVNW111RSO	DELAVAN	LCHTW111RSO	LITTLE CHUTE
EVVLWI111RSO	EVANSVILLE	LKGNWIO1DSO	LAKE GENEVA
FDULWIO1DSO	FOND DU LAC	MDSNW111DSO	MADISON
FTATWI11RSO	FTATKINSON	MDSNW112DSO	MADISON
GNBYWIO1DS1	GREEN BAY	MDSNW113DSO	MADISON
GNBYWI11IDSA	GRFFN BAY	MDSNW114DSO	MADISON
GNBYWI12DSO	GREEN BAY	MDSNW115DSO	MADISON
GNBYWI13DSO	GREEN BAY	MDSNW116DSO	MADISON
GNCYWI12RSO	GENOA CITY	MILWW11ODSA	MILWAUKEE
GNVLWI12RSO	GREENVILLE	MILWW112DS2	MILWAUKEE
HBTSWI11DSO	HUBERTUS	MILWW113DS1	MILWAUKEE

MILWWI6DSO	MILWAUKEE	PEWKWIIRSI	WAUKESHA
MILWWI7DSO	MILWAUKEE	PEWKWI40DSO	PEW AUKEE
MILWWI22DSO	MILWAUKEE	PLPRWIIIRSO	PLEASANTPR
MILWWI23DSO	MILWAUKEE	PRSDWIIIDSO ;	KENOSHA
MILWWI25DSO	HALES CORNERS	PTW A WIIIRSO	PRT WASHINGTON
MILWWI27DSO	MILWAUKEE	RACNWIOIDSO	RACINE
MILWWI28DSA	MILWAUKEE	RACNWIIIDSA	RACINE
MILWWI30DSO	MILWAUKEE	RCMDWIIIRSO	RICHMOND
MILWWI31DSO	MENOMONEE	SGTNWII1DSO	STOUGHTON
FALLS		SHBYWIOIDSO	SHEBOYGAN
MILWWI34DSI	MILWAUKEE	SHFLWII2DSO	SHEBOYGAN FLS
MILWWI38RSI	MILWAUKEE	SMRSWIIIRSO	KENOSHA
MILWWI42DSO	MILWAUKEE	STBYWIIIRSO	STURGEON BAY
MILWWI45DSI	BROOKFIELD	STPTWIO1DSO	STEVENS PT
MILWWI48DSA	MILWAUKEE	STRTWIIIDSO	STURTEVANT
MILWWI56DSO	OAK CREEK	SUSXWI46D~1	SUSSEX
MNFLWI32DSA	MENOMONEE	UNGVWIIIRSO	UNION GROVE
FALLS		VNDNWIIIRSI	VAN DYNE
MNTWWIOIDSO	MANITOWOC	WAPNWIIIRSO	WAUPUN
MSKGWI36DSA	MUSKEGO	WBNDWIO1DSO	WEST BEND
MYVLWIIIRSO	MAYVILLE	WHWRWIIIDSO	WHITEWATER
NENHWIIIDSO	NEENAH	WKSHWI47DSA	WAUKESHA
NWBGWIIIRSO	NEWBURG	WMBYWIIIDSA	WILLIAMS BAY
NWLNWIIIRSO	NEW LONDON	WNCNWII1DSO	WINNECONNE
OCNMWII1DSO	OCONOMOWOC	WPCAWIIIDSO	WAUPACA
OMROWIIIDSO	OMRO	WRTWWI11RSO	WRIGHTSTOWN
OSHKWIO1DSA	OSHKOSH	WTTWWI01DSA	WATERTOWN

**Wire Centers served by Verizon:**

<u>DOMSWITCH</u>	<u>CITY</u>	<u>DOMSWITCH</u>	<u>CITY</u>
APRVILXARSO	APPLE RIVER	BRKL WIXBRSO	BROOKLYN
WRRN1LXARSO	WARREN	BRSTWIXADSO	BRISTOL
ADMSWIXARSO	ADAMS	CDGVWIXARSO	CEDAR GROVE
ALNTWIXARSO	ALLETON	CITNWIXARSO	CHILTON
ARENWIXARS3	ARENA	CLTNWIXADSO	CLINTON
BLCYWIXARSI	BLOOM CITY	CLYMWIXARLO	JUNEAU
BLGMWIXARSO	BELGIUM	CMBRWIXARSO	CAMBRIDGE
BLHRWIXARSO	BAILEY HARBOR	CMPTWIXARSO	CAMPBELLSPORT
BLLNWIXARSO	BRILLION	COBBWIXARSO	COBB
BLVLWIXARSO	BELLEVILLE	CSCDWIXARSO	CASCADE
BRCVWIXARSO	BRIGGSVILLE	CTGVWIXADSO	COTTAGE GROVE
BRHDWIXADSO	BRODHEAD	DARNWIXADS2	DARIEN



DCVL WIXADSO	DODGEVILLE	NWHLWIXARSO	NEW HOLSTEIN
DRFDWIXARS 1	DEERFIELD	OKFDWIXADSO	OAKFIELD
EDENW1XARS4	EDEN	ORGNWIXADSO	OR
EGHRWLXARSO	EGG HARBOR	ORVLWIXADSO	ORFORDVILLE
EGTNWIXADSO	EDGERTON	OSBGWIARSO	OOSTBURG
ELLKWIXARSO	ELKHART LK	PDVLWIXARSO	PARDEEVILLE
GNBSWIXARSO	GREENBUSH	PLANWIXARS3	PLAIN
HLBRWIXARSO	HILBERT	PLMOWIXADSO	PLYMOUTH
HODL WIXARSO	HOLLANDALE	PRTGWIXADSO	PORTAGE
HSFDWIXARSO	HUSTISFORD	RCCTWIXADSO	RICHLAND CTR
ITHCWIXARSO	ITHACA	RDBGWIXADSO	FEEDSBURG
JCPTWIXARLO	JACKSONPORT	RDVL WIXARSO	REEDSVILLE
JHBGWIXARSO	JOHNSBURG	RDWYWIXARSO	RIDGEWAY
KIEL WIXARSO	KIEL	RNLKWIXADSO	RANDOM LK
KWSKWIXARS2	KEWASKUM	SALMWIXARSO	SALEM
LBNNWIXARL	LEBANON	SKCYWIXADSO	SAUK CITY
LGVL WIXARSO	LOGANVILLE	SLLKWIXARSO	SILVER LAKE
LKML WIXADSO	LAKE MILLS	SLNGWIXADSO	SLINGER
LMRGWIXARSO	LIME RIDGE	SNPRWIXADSO	SUN PRAIRIE
LNRKWIXARSO	LONE ROCK	SPGRWIXADSO	SPRING GREEN
LODIWIXARSO	LODJ	SSBYWIXADSO	SISTER BAY
LOMRWIXARS6	LOMIRA (DODGE)	STCDWIXARSO	ST CLOUD
LYSTWIXARLO	LYNDON STA	THRSWIXARS4	THERESA
MCF A WIXADSO	MC F ARLAND	TRVRWIXARSO	TREVOR.
MNCTWIXARSI	ARKDALE	TWLKWIXARSO	TWIN LAKES.
MNPTWIXARSO	MINERAL PT	TWRVWIXADSO	TWO RIVERS.
MPTNWIXARSO	OCONOMOWOC	WAISWIXARSO	WASHINGTON IS
MRFDWIXADSO	MARSHFIELD	WBKAWIXARSO	FREDONIA
MRMCWIXARSO	MERRIMAC	WHLWWIXARSO	WHITELAW
MRSHWIXARSO	MARSHALL	WIDLWIXADSO	WI DELLS
MSHCWIXARSO	MISSICOT	WLWOWIXADSO	WALWORTH
MSTNWIXADSI	MAUSTON	WSFDWIXARSO	WESTFELD
MTCLWIXARSO	MOUNT CALVARY	WTRLWIXARSO	WATERLOO
MTLLWIXARSO	MONTELO	WTWNWIXARSO	WITWEN
NESH WIXARSO	NEOSHO		

AUG 14 2002

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION  
COMMISSION

In the Matter of the Petition of

RCC MINNESOTA, INC., d/b/a  
CELLULAR **ONE**For Designation as **an** Eligible  
Telecommunications Carrier

DOCKET NO. UT-023033

ORDER GRANTING PETITION FOR  
DESIGNATION AS **AN** ELIGIBLE  
TELECOMMUNICATIONS CARRIER**I. INTRODUCTION**

- 1 The Telecommunications Act of 1996 (Act)' requires state utility commissions to make a number of decisions related to opening local telecommunications markets to competition and preserving and advancing universal service. One of those decisions is the designation of qualified common carriers as eligible telecommunications carriers (ETCs). In order to be eligible for federal universal service support, a common carrier must **be** designated by the state commission as **an** ETC. 47 U.S.C. § 214(e)(1). Once designated as an ETC, a carrier must advertise the availability of service and offer service in the geographic area in which it is designated. *Id.*
- 2 The Commission considered the requests of numerous carriers for initial designation as ETCs at its regularly scheduled open meetings of November **26** and December 10, 1997. The Commission made its initial designations of ETCs by order dated December **23**, 1997 (First Order Designating ETCs).<sup>2</sup>
- 3 The Act provides for the designation of multiple ETCs in any given service area. In areas that are served by rural telephone companies,<sup>1</sup> state commissions may designate additional ETCs if such designation is in the public interest. 47 U.S.C. § 214(e)(2). Designation of ETCs in areas served by rural companies must be at the study-area

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<sup>1</sup> Public Law 104-104, 110 Stat. 154 (1996), codified in scattered sections of Title 47 U.S.C.

<sup>2</sup> See *In the Matter of the Petitions for Designation as Eligible Telecommunications Carriers*, Docket Nos. UT-970333-970354; 970356, Order Designating Eligible Telecommunications Carriers (Dec. 23, 1997) (First Order Designating ETCs).

<sup>3</sup> A "rural telephone company" is defined at 47 U.S.C. § 147(37).

level,<sup>4</sup> unless the state commission and the Federal Communications Commission (FCC) agree to a different geographic service area. 47 U.S.C. § 214(e)(5). In all other areas, state commissions must designate additional ETCs upon request and such designation may be made for any geographic area established by the state commission. *Id.*

4 In our initial designations, we designated Verizon Northwest, Inc., as an ETC for each of its exchanges in Washington. We designated Qwest Corporation as an ETC for only ten exchanges because it did not request designation for every exchange it serves. The Commission designated United States Cellular Corporation as an ETC for nine geographic service areas, none of which were served by rural telephone companies.

5 In our First Order Designating ETCs, the Commission designated areas served by rural companies at the study-area level for one year, and by the more finely graded exchange-area level thereafter.<sup>5</sup> On August 17, 1998, the Commission, in conjunction with 20 rural companies, petitioned the FCC to agree with the exchange-level designations, rather than study-area designations, for rural companies. The FCC granted the petition on September 9, 1999.<sup>6</sup>

6 In making its initial designations, the Commission made only one designation for each geographic service area served by a rural telephone company. At that time, the issue of whether the designation of additional ETCs in rural areas would be in the public interest was not before the Commission. The Commission did find that ETC designations of both rural and non-rural companies were in the public interest.<sup>7</sup>

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<sup>4</sup> A "study area" is commonly known as an ILEC's existing service area and generally includes all of the exchanges in which the company provides service within the state. The study-area boundaries are fixed as of November 15, 1984. See *In the Matter of Federal-State Joint Board on Universal Service*, CC Docket 96-45, Report and Order, 12 FCC Rcd 8776, 8872 n.434 (1997).

<sup>5</sup> First Order Designating ETCs, at 12.

<sup>6</sup> *In the Matter of Petition for Agreement with Designation of Rural Company Eligible Telecommunications Carrier Service Areas and for Approval of the Use of Disaggregation of Study Areas for the Purpose of Distributing Portable Federal Universal Service Support*, CC Docket 96-45, Memorandum Opinion and Order, 15 FCC Rcd 9921 (1999). The petition also included a request for FCC approval of a method for deaveraging federal universal service support at the sub-wire center level.

<sup>7</sup> See First Order Designating ETCs, at 17.

7 On December 6, 1999, United States Cellular Corporation requested ETC designation in 70 exchanges served by rural incumbent local exchange companies (rural ILECs). Many of the rural ILECs opposed that request. The Commission found United States Cellular's request to be in the public interest and otherwise consistent with 47 U.S.C. § 214(e) and designated it as an ETC in those exchanges.<sup>8</sup> The rural companies appealed that decision.'

8 On June 3, 2002, RCC requested ETC designation in the exchanges listed in Appendix A. These exchanges, and parts of exchanges, are served by rural carriers. The Commission considered RCC's petition for ETC designation at its regularly scheduled open public meeting on June 14, 2002.

## II. THE MERITS OF RCC'S PETITION FOR ETC DESIGNATION

### A. Statutory Requirements

9 Pursuant to 47 U.S.C. § 214(e)(1), ETCs must offer the services supported by universal service dollars and advertise the availability of those services. In addition, where a carrier requests ETC designation in areas served by rural telephone companies, the designation must be in the public interest. 47 U.S.C. § 214(e)(2). RCC's request is governed by these provisions.

10 The Act does not define what state commissions must consider in determining whether an ETC designation in an area served by rural carriers is in the public interest. In weighing the public interest, the Commission is mindful of the stated purpose of the Act, which is to "promote competition and reduce regulation in order to secure lower prices and higher quality services for American telecommunications consumers and encourage the rapid deployment of new technologies." In addition, the Commission also will consider our state policies set forth at RCW 80.36.300. Consistent with the national and state policies, the Commission will consider the relative benefits and burdens that additional ETC designation may bring to consumers as a whole.

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<sup>8</sup> See *In the Matter of the Petition of United States Cellular Corp., et al. for designation as Eligible Telecommunications Carriers*, Docket No. UT-970345, Third Supplemental Order, at 359-60 (Jan 27 2000)

<sup>9</sup> See *Washington Ind. Tel. Ass'n v. Washington Utils. & Transp. Comm'n*, 110 Wn. App. 489, 41 P 3d 1212 (2002), petition for rev. filed, No. 72428-8 (April 4, 2002).

**B. Positions of Interested Persons**

1. RCC

11 RCC is a predominately rural carrier and provides service in the areas **set forth** in its petition for ETC designation. RCC stated that its request for ETC designation **is** in the public interest because the designation will support its efforts as a wireless carrier to serve rural areas and provide competitive alternatives to rural customers, and will facilitate the provision of advanced services in rural areas. In its petition, RCC quoted our order designating United States Cellular as an ETC in rural areas in support of its claim that designation of a wireless carrier as an ETC will provide the benefits of increased mobility and an increased level of service. *RCC's Petition, at 11.*

12 RCC cited to a decision of the Arizona Commerce Commission holding that designating wireless carriers **as** ETCs will provide additional consumer choice and provide a potential solution to "health and safety **risks** associated with geographic isolation." *Id. (citations omitted).*

13 RCC stated it will provide consumers with wider local calling areas, mobile communications, a variety of service offerings, high-quality service, and competitive rates. *Id. at 12.*

14 RCC also states that in most rural areas wireless service is only a convenience at this time because universal service support is not available to fund infrastructure investment. However, with universal service support wireless companies can invest in the infrastructure necessary to become potential alternative to wireline service. *Id.* "Provision of high-cost support to RCC will begin to level the playing field with the incumbent LECs and make available for the first time a potential competitor for primary telephone service in remote areas of Washington." *Id. ut 12-13.*

2. Rural Local Exchange Companies

15 The rural ILECs<sup>11</sup> opposed RCC's petition. They claim that RCC's designation as an ETC in the exchanges served by rural ILECs is not in the public interest. They

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<sup>10</sup> S. 652, 104th Cong. (1996).

<sup>11</sup> As used in this Order, "rural ILECs" means **members of the Washington Independent Telephone Association (WITA) and Asotin Telephone Company, CenturyTel of Washington, Inland**

argued that the information before the Commission is insufficient to find that designation is in the public interest, and that there must be an adjudicative proceeding to establish additional facts before the Commission can lawfully designate RCC as an ETC in the rural **areas**. Rural ILECs conceded that the recent decision in *WITA v. WUTC*<sup>12</sup> controlled the issue of a hearing with respect to the procedural issues raised at the time the Commission designated United States Cellular, but stated that it **was** the lack of factual information concerning RCC's services and capabilities that warranted a hearing before a decision by the Commission.

16 On the morning of our Open Meeting at which the matter was heard, the Washington Independent Telephone Association (WITA), on behalf of itself and its members, and several rural companies, filed a response to RCC's petition. Their arguments *are* summarized below.

(a) ***The Rural ILECs argue that RCC's Petition Does Not Meet the Requirements of Section 214(e)(2)***

17 The rural ILECs argued that RCC's petition does not meet the requirements of 47 U.S.C. § 214(e)(2) because it contains only a "vague assertion" that it is capable of serving the geographic area for which the designation is sought. Rural ILECs also contend that the affidavit of RCC's Legal Services Director concerning its ability and willingness to serve as an ETC is the very definition of a vague assertion. *See Petition, Exhibit D*. In support of this argument, the rural ILECs cite to the following FCC Declaratory Ruling concerning designation of wireless carriers as ETCs:

We [FCC] caution that a demonstration of the capability and commitment to provide service **must** encompass something more than a vague assertion of intent on the part of a carrier to provide service. The carrier must reasonably demonstrate to the state commission its ability and willingness to provide service upon designation.<sup>13</sup>

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Telephone Company, Pend Oreille Telephone company, Pioneer Telephone company, and St. John Co-operative Telephone and Telegraph Company.

<sup>12</sup> See *supra* n.9

<sup>13</sup> *In the Matter of Federal-State Joint Hoard on Universal Service, Western Wireless Corporation Petition for Preemption of an Order of the South Dakota Public Utilities Commission*. Declaratory Ruling, CC Docket No. 96-45, 15 FCC Rcd 15,168, 15,178, ¶ 24 (2000) (Declaratory Ruling).

- (b) *The Rural ILECs argue that the public interest requirement of the Act requires a factually specific showing of RCC's actual ability to provide service.*

- 18 The rural ILECs contend that the Petition must be accompanied by factual information such as cell sites, capacities, transmitter power, or tower locations. In support of this contention they cited *WWC Holding Co. v. Public Service Commission of Utah*,<sup>14</sup> in which the Utah Supreme Court had decided that the map provided to the public service commission was insufficient to demonstrate the technical and objective data required to meet the public interest requirement of 47 U.S.C. § 214(e)(2). The rural ILECs argue that the map RCC provided with its petition is insufficient to provide the objective evidence to support RCC's claim that it will use the funds for the purpose for which the support is intended because there is no evidence of cell sites, capacities, transmitter power, or tower locations. *See Petition, Exhibit A.*
- 19 The rural ILECs provided several color-coded maps, which purported to show RCC's signal strength in many areas of their exchanges. They also presented similar maps purporting to show locations where efforts to make cellular calls were successful or unsuccessful. The rural ILECs contend the maps show that RCC's coverage is spotty, at best, in several rural exchanges.
- 20 At the Open Meeting, a representative of the rural ILECs described at some length the tests of RCC's signal strength in various rural ILEC exchanges undertaken by an employee of Inland Cellular Telephone Company, an affiliate of rural ILEC Inland Telephone Company. The rural ILECs contended that the tests demonstrate that RCC does not have sufficient signal strength in many locations to provide service throughout the area where it requests designation.
- 21 In general, the rural ILECs characterized RCC's signal strength as sufficient or better along most highways and significant roads, such as roads that pass through small towns. Also, the rural ILECs generally characterized RCC's signal as marginal or insufficient as testing moved away from highways and main roads. The rural ILECs contend that their tests conducted at homes with wireline service located away from towns, highways, and main roads show that RCC's signal was insufficient or non-existent in many instances.

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<sup>14</sup> *WWC Holding Co. v. Public Serv. Comm'n of Utah*, 44 P.3d 714 (Utah 2002)

22 The rural ILECs compared their findings regarding RCC's signal strength to Pioneer Telephone Company's 100 percent penetration to occupied buildings.<sup>15</sup> The rural ILECs argued that wireless service is not basic service used to connect customers to the public switched telephone network, but characterized it as "an adjunct service, used primarily while traveling." Declaration of Mike Richmond at 3.

(c) *The Rural ILECs argue that RCC's Petition does not provide specific, objective evidence of its ability to provide the nine required services.*

23 The rural ILECs argue that the information provided by RCC about its ability to provide the nine required services was so scant that it is impossible to determine that it provides these services.<sup>16</sup> They argue that RCC's service is not in the public interest because it does not satisfy the local usage requirement of 47 C.F.R. § 54.101(a). They also argue that ETC designation is not in the public interest because RCC provides "dial around" access to interexchange services, rather than "traditional" direct access, and thereby does not provide equal access to interexchange services.

24 The rural ILECs challenge RCC's claim that it has satisfied the local usage requirement of 47 C.F.R. § 54.101(a) by stating that it will "comply with any and all minimum local usage requirements adopted by the FCC." The rural ILECs argue this is an insufficient showing and that RCC must provide information about its local usage plans. *Rural ILEC Response to Petition, at 8-9.*

25 Rural ILECs compare RCC's statement to what the FCC had before it when Western Wireless applied to the FCC for ETC status in Wyoming. According to the rural ILECs, Western Wireless had provided evidence that it would offer service with a rate plan that included unlimited usage at a price of \$14.99 per month. Similarly, the rural ILECs cited a Minnesota Commission decision requiring a wireless ETC seeking designation in areas served by rural incumbents to offer a flat-rate plan that did not exceed 110% of the rural ILEC rate for the area to be served.

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<sup>15</sup> Penetration rate is a telecommunications term that originally indicated the percentage of customers that have wire connections to the public switched telephone network. The term is sometimes applied to wireless and other communications technology.

<sup>16</sup> The nine services required under 47 C.F.R. § 54.101 are (1) Voice grade access to the public switched network; (2) Local usage; (3) Dual tone multi-frequency signaling or its functional equivalent; (4) Single-party service or its functional equivalent; (5) Access to emergency services; (6) Access to operator services; (7) Access to interexchange service; (8) Access to directory service; and (9) Toll limitation for qualifying low-income consumers.



26 The rural ILECs argue the Commission is “duty bound” to consider whether RCC’s local usage plans are in the public interest. *Id. at 10*. They state it is impossible for the Commission to do so in the absence of information from RCC. This absence of information demonstrates “RCC’s Petition is objectively inadequate to demonstrate that it ~~has~~ satisfied the requirements of Section 214(e)(1).” *Id.*

(d) ***The Rural ILECs argue that RCC’s claim that ETC designation will serve the public interest through the introduction of advanced services is unsupported and irrelevant.***

27 The rural ILECs dispute RCC’s statement that its designation as an ETC will lead to introduction of advanced services. They argue that this contention is unsupported and irrelevant to a decision concerning ETC designation. *See Rural ILEC Response to Petition, at 11-12*. The rural ILECs state RCC does not define what the advanced services are or will be, and that it is nothing more than an unsubstantiated claim that may be intended to bolster the weakness of RCC’s petition with respect to the nine requirements.

(e) ***The Rural ILECs Argue that promotion of competition alone ~~is~~ not sufficient to warrant a finding that RCC’s request for ETC designation is in the public interest.***

28 The rural ILECs argue that the Commission may not rely on a policy preference for competition to determine the public interest, and that the Commission must consider other factors. *See Rural ILEC Response to Petition, at 16-17*. They also argue that if competition alone were sufficient to support a finding in the public interest, then there would be no finding to make because every additional ETC would be in the public interest and a separate finding would be meaningless. *Id. at 17*. They argue that the Commission must examine the facts beyond the mere assertion that designating RCC will further competition. *Id.*

29 The rural ILECs contend the Commission must evaluate whether RCC has the actual ability to serve rural areas and that individual, existing ETCs in rural areas also will be able to compete. *Id. at 18*. They argue that the substitution of one competitor for another does nothing to increase competition. *Id.* An increase in the number of competitors might not increase competition; it might have the effect of simply replacing one well-established, productive competitor with one less prepared to serve the rural public. *Id. at 19*.

30 Rural ILECs noted that the United States Circuit Court for the District of Columbia, rejected the notion of “competition for competition’s sake.” *Id.* In *United States Telecom Ass’n v. Federal Communications Comm’n*,<sup>17</sup> the Court reviewed the FCC’s efforts to promote competition through unbundling of non-rural ILECs’ network elements for use by competitive local exchange companies. Rural ILEC’s argue that the Court found that *the* FCC’s policy would actually harm competition in the long run by undermining the ability of non-rural **ILECs** to compete with competitors in certain instances. *Rural ILECs’ Response to Petition, at 20.*

31 Rural ILECs state that they do not argue that competition is an illegitimate aim of the Act, hut rather that adding competitors to the market does not always equate **to** greater competition. They argue this is particularly true of RCC, which they say has failed to provide any objective evidence worthy of allowing it to tap into the federal universal service fund. *Id.*

32 The rural ILECs fault RCC for noting that competitive carriers in other states have earmarked funds for additional channel capacity, new cell sites, and expedited upgrading of facilities from analog to digital, while not committing itself to these or other similar activities. *Id.*

(9) *The Commission should make afactual determination concerning how designation of RCC will affect each, individual existing ETC.*

33 The rural ILECs argue that the Commission must consider the facts and circumstances surrounding the six existing ETCs in the areas served by RCC before granting ETC designation to an additional carrier. *Id. at 23.* What may further the ends of competition in one area, they contend, may eliminate the existing ETC in another area. They argue that the public interest cannot be determined without considering how ETC designation would affect the existing ETCs. Finally, they state RCC made no effort to demonstrate how its designation as **an** ETC will affect the existing, individual rural ILECs. *Id. at 24.*

(g) *RCC has not shown that service provided by existing ETCs is deficient.*

34 The rural ILECs contend RCC has not shown that service by existing ETCs is deficient. They cite to several declarations for the proposition that existing rural ILEC

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<sup>17</sup> *United States Telecom Ass’n v. Federal Communications Comm’n*, 290 F.3d 415 (D.C. Cir. 2002).

ETCs serve a very **tugh** percentage of the population, perhaps even 100% in some instances. They further contend that mobile wireless service is not used to provide basic service, but rather it is used in addition to wireline service to homes. *Id. ut 22.*

35 The rural ILECs state that the federal universal service **fund** is not a bottomless reservoir of money. While “current rules do not decrease support for one ETC if an additional ETC is added, at some point the effect will be to force a cap on **or** restructuring of the USF.” *Id.* The rural ILECs contend that the Commission must make a full determination of RCC’s capabilities to actually add value through “legitimate” competition. *Id. at 23.*

### 3. Commission Staff

36 Commission Staff recommended approval of RCC’s request for designation **as an** ETC. Staffs recommendation was based in part on consistency with our designation of United States Cellular Corporation as an ETC in 1999. *See Third Supplemental Order in Docker No. UT-970345.* In that order, we stated that wireless service will provide: increased mobility for those that choose it; increased service; access to electronic mail over wireless telephones; **an** increase in the likelihood that cellular technology will become available to more rural customers at an affordable price; access to the Internet over wireless telephones; and a choice between the reliability of wireline service and the mobility of wireless service. Staff indicated that approving RCC’s request for ETC designation **is** consistent with the purposes of the Act, promotion of competition, and preservation and advancement of universal service. *Staff Open Meeting Memo at 5.*

37 In addition, Staff stated that ETC designation would not only bring competition to areas served by rural ILECs and RCC, but would bring the **benefits** of competition. The benefits of competition, according to Staff, are downward pressure on prices, introduction of new products, and emphasis on customer service.

38 Staff explained that RCC already competes with rural ILECs, but it does not do so on an equal basis. Rural ILECs have access to both federal and state universal service funds. ETC designation will result in access to federal universal service funds for RCC, but not state universal service funds.<sup>18</sup>

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<sup>18</sup> State universal service support is provided to rural ILECs through rates permitted on a service known as terminating access. FCC rules prohibit wireless carriers from tiling tariffs to collect terminating access. 47 C.F.R. § 20.15(c).

39 Staff also explained why access to federal universal service support funds is important to RCC. RCC faces the same low-revenue circumstances that rural LECs face.<sup>19</sup> If RCC is to provide service in rural areas, then it must have sufficient support to do so. Customers will see the benefits of competition only if competitors have sufficient support.

40 Staff also noted that the FCC has changed its rules for distribution of federal universal service support since the Commission designated United States Cellular Corporation as an ETC in 1999. At that time, FCC rules treated federal universal service support as a “zero sum game,” whereby a competitor’s successful gain of a customer reduced the amount of support available to the incumbent. However, in 2000, the FCC altered its rules to permit all ETCs to collect support for every line served, with the amount per line based on the incumbent’s support per line. *Id. at 3.*

41 Staff also recommend that the Commission grant RCC designation as an ETC for parts of exchanges where it is licensed to serve. In the past, there were concerns about cream-skimming, but the FCC’s new support mechanism as well as rural incumbent filings in the federal universal service disaggregation docket indicate that cream-skimming is no longer a concern. *Id.*

42 Finally, in response to a question concerning the territory served by RCC, Staff responded that the area served by RCC -- its three cellular geographic service areas (CGSAs) -- are available on the FCC website and that anyone can determine where it is licensed to serve.

#### IV. COMMISSION DISCUSSION

##### A. RCC’s Petition Meets the Requirements of Section 214(e)(2).

43 We believe that RCC’s petition satisfies the requirements of 47 U.S.C. § 214(e)(2). We disagree with the rural ILECs that RCC’s petition contained only a “vague

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<sup>19</sup> Federal and state universal service support at issue here is generally referred to as “high-cost” support. In some locations, particularly mountainous areas, the cost of construction may be higher than average. However, not all “high-cost” service is provided in locations where construction costs are above average. More accurate descriptions would be “high-cost per customer” support or “low-revenue” support because companies that receive this support are expected to serve locations where there are very few customers to bear the cost of the necessary facilities. For example, the Commission has provided state support to the company that serves the Palouse exchange because it has determined [that it costs an average of \$71.67 per-line, per-month to provide service when the price is \$18.00 per month. The Palouse exchange is not difficult terrain in which to construct facilities, it is merely characterized by a small number of customers.

assertion” of its willingness and ability to serve the geographic area **for** which it requests ETC designation. We disagree with the rural LECs that the FCC’s Declaratory Order supports rejecting RCC’s request.

44 In support **of** their argument, the rural LECs quote **only** a portion **of** the relevant paragraph **of** the FCC’s order. When read in its entirety, the paragraph supports RCC’s request for ETC designation:

A new entrant can make a reasonable demonstration to the state commission of its capability and commitment to provide universal service without the actual provision **of** the proposed service. There are several possible methods for doing so, including, but not limited to: (1) a description of the proposed service technology, **as** supported by appropriate submissions; (2) a demonstration of the extent to which the carrier may otherwise be providing telecommunications services within the state; (3) a description of the extent to which the carrier has entered into interconnection and resale agreements; or, **(4)** a sworn affidavit signed by a representative of the carrier to ensure compliance with the obligation to offer and advertise the supported services. We caution that a demonstration **of** the capability and commitment to provide service must encompass something more than a vague assertion of intent on the part of a carrier to provide service. The carrier must reasonably demonstrate to the state commission its ability and willingness to provide service upon designation.

*Declaratory Ruling, ¶ 24 (footnotes omitted)*

45 RCC Minnesota does business as Cellular One in Washington and described its proposed service and technology in its petition. The director of legal services for the company appeared before the Commission and described RCC **as** provider of cellular service in 14 states, holding 36 licenses from the FCC, 33 of which are for rural service areas. *Open Meeting Transcript. at 25.* It acquired the three Washington licenses in 2000 and continued service under the name Cellular One. Since that time it has examined the markets and determined that it can improve service with federal universal service support. *Id.*

46 RCC is licensed by the FCC to provide service. As Staff informed us at the Open Meeting, there is substantial information on the FCC website concerning the licenses and service areas of RCC. *Id. at 42.*

47 In 1997, the rural ILECs submitted their requests for ETC designation, which were no more specific than the petition submitted by RCC. *See Docker Nos. UT-970333,-54 and UT-970356*. Just as we are familiar with the companies we designated in 1997, we are familiar with Cellular One as a service provider in Washington. We have sufficient information from RCC's petition and its appearance at our Open Meeting to conclude, and we do conclude, that RCC has the capability and the lawful authority to provide telecommunications services as an ETC just as it has provided service for many years without such designation.

**B. RCC Has Demonstrated Its Ability to Serve**

48 In response to the rural ILECs' allegations that RCC does not have sufficient signal strength to provide basic service in all areas of the rural exchanges, RCC states that this varied signal strength is precisely why it needs federal universal service support. It stated that rural ILECs have had decades of support that have enabled them to build plant and equipment to provide extensive service within their exchanges. RCC stated that the issue before the Commission is whether it wants cellular coverage in these areas sooner rather than later, in the next few years or in 2020.

49 We are persuaded by RCC's argument. We are further persuaded by the FCC's policy statement that a carrier requesting ETC designation need not provide service throughout an area to qualify as an ETC.

We find that an interpretation of 47 U.S.C. § 214(e) that would require carriers to provide the supported services throughout the service area prior to designation as an ETC has the effect of prohibiting the ability of prospective entrants from providing telecommunications service. A new entrant faces a substantial barrier to entry if the incumbent local exchange carrier is receiving universal service support that is not available to the new entrant for serving customers in high-cost areas. We believe that requiring a prospective new entrant to provide service throughout a service area before receiving ETC status has the effect of prohibiting competitive entry in those areas where universal service support is essential to the provision of affordable telecommunications service and is available to the incumbent carrier. Such a requirement would deprive consumers in high-cost areas of the benefits of competition by insulating the incumbent LEC from competition.

*Declaratory Ruling, ¶ 12 (footnotes omitted).*

50 We conclude that a decision denying ETC designation to RCC based on its lack of signal strength in some locations would have the effect **of** prohibiting it from providing telecommunications service in those areas, which would deprive consumers in high-cost areas the benefits of competition by insulating rural ILECs **from** competition.<sup>20</sup>

**C. RCC Has Provided Evidence of its Ability to Provide the Nine Required Services.**

51 The FCC requires a carrier to offer nine services upon designation **as an ETC**.<sup>21</sup> The rural ILECs focus on two of them. They argue that RCC has not provided evidence that it provides sufficient local **usage**<sup>22</sup> to meet the federal standard or that it provides the required access to interexchange **service**.<sup>23</sup> (“Local usage” is an FCC requirement that a customer must receive some amount of local use of the public switched telephone network, not just access to it, for the monthly amount paid for service.) RCC states in its petition that it will **comply** with any applicable FCC requirement concerning local usage should that agency establish one. RCC states that it has interconnection agreements with interexchange carriers and that customers may “dial around” to reach interexchange **services**.<sup>24</sup>

52 The FCC has **left** to the states the decision of how much local service a carrier must provide in exchange for a monthly payment in order to meet the local usage requirement set forth in 47 C.F.R. § 54.101(a)(2). Wireline companies in Washington are required to offer flat-rate service. RCW 80.04.130(3). Wireless companies generally provide a quantity of minutes each month that vanes with price, and charge additional amounts per-minute if a customer exceeds the allotment.

53 Price **is** an essential element of competition. Customers will choose to take service from RCC if the price is right, and will not do so if it is too high. If no customers choose its services, then RCC will not receive federal universal service support. We have declined to make a determination of a particular amount of local usage that is

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<sup>20</sup> See *In the Matter of Federal-State Joint Board on Universal Service*. CC Docket No. 96-45 (May 8, 1997) (“First Report and Order”) ¶ 136, n.329 and ¶ 141

<sup>21</sup> See *supra* n.16

<sup>22</sup> See First Report and Order. ¶ 65

<sup>23</sup> Interexchange service is commonly referred to as long-distance service.

<sup>24</sup> Dial around services are, for example, 1-800-CALLATT and 10-10-321

acceptable. Customers can choose for themselves if the amount of local usage is worth the price.

54 We are aware that some states have required wireless carriers to offer service at commission-determined prices. We decline to adopt this approach at this time. Since our designation of United States Cellular as an ETC in 1999, we have not had a complaint from customers or companies that it is not providing sufficient local usage.

55 Rural ILECs state that RCC does not identify the interexchange carriers that customers may choose, nor does it provide "equal access" to interexchange service. However, RCC is required to provide access to interexchange services and it does so. That is sufficient to meet the requirement in 47 C.F.R. § 54.101(a). It is not required to provide access to the interexchange company of the customer's choice. 47 U.S.C. § 332(c)(8).<sup>25</sup> Quite recently the Federal-State Joint Board on Universal Service declined to recommend that equal access be added as a tenth requirement for ETC designation.<sup>26</sup> We note that wireless companies often offer long distance service as a part of their service packages. This provides a choice to customers in comparison to wireline carriers, and we trust that customers are able to make their own choices.

56 We conclude that RCC provides local usage and access to interexchange service sufficient to meet FCC requirements. It is not in the public interest to require more of RCC than Congress or the FCC require of wireless ETCs.

**D. Availability of Advanced Services.**

57 In 1999, rural ILECs argued that advanced services, including greater bandwidth for data transmission, are more likely to be provided over wireline service. *Third Supp. Order*, ¶ 48. RCC states in its Petition that its designation will lead to introduction of advanced services. a claim that rural ILECS consider unsubstantiated.

58 The FCC does not require carriers to provided advanced services in order to be designated as an ETC. Rural ILECs are correct that RCC's ability, substantiated or not, is irrelevant to this decision. We note only that the ETC offering advanced services may be the one most likely chosen by customers who desire those services.

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<sup>25</sup> See also. First Report and Order, ¶ 78.

<sup>26</sup> *In the matter of Federal-State Joint Board on Universal Service*. CC Docket No. 96-45, Recommended Decision (July 10, 2002).



**E. Advancement of Competition Is a Factor In Determining the Public Interest.**

59 Competition alone may not be sufficient to meet the public interest test, but the benefits of competition are more than sufficient. Staff articulated these benefits well: downward pressure on prices, increased innovation, and more attention to customer service.

60 Urban customers can choose among many companies and technologies because companies serving in urban areas can earn sufficient revenue to pay for necessary investment. Rural ILECs receive support because they serve few customers and, in some cases, those customer are located in mountainous or otherwise difficult terrain. State and federal policies support all lines provided by rural ILECs to customers. Even multi-line businesses receive supported service. Because of the limited opportunities for revenue in areas served by rural ILECs, there will be no competition — and no customer choice — without multiple ETCs.

61 As explained in Paragraph 30, the rural ILECs argue that *United States Telecom Ass'n v. Federal Communications Comm'n* supports their argument that competition alone is insufficient to satisfy the public interest. The holding in that case does not support the rural ILECs' argument. That case was concerned, in part, with the FCC's national list of unbundled network elements incumbents must make available to customers. The court found that the FCC's rationale for the rule did not adequately consider whether the ability of competitors to provide service without such access would be impaired, and that the FCC rested too heavily on the notion that access to more elements would benefit competition. *See 47 U.S.C. § 251(d)(2)*. However, ETC designation is not a question of a competitor's access to an incumbent's network. Rather, it is a question of what carriers are eligible to receive federal universal service support. Unlike access to unbundled network elements, Congress did not impose a "necessary and impair" standard upon access to support.

**F. A factual determination of how designation of RCC will affect each rural ILEC is unnecessary.**

62 Universal service is intended to benefit customers, *not companies*.<sup>27</sup> The public interest is not determined by what is best for a single company, be it a rural ILEC or

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<sup>27</sup> *Washington Ind. Tel. Ass'n*, 110 Wn.App. at 510 (citing *Alenco Communications Inc. v. Federal Communications Comm'n*, 201 F.3d 608, 621 (5th Cir. 2000)).

RCC. We have determined, **as** has the FCC, that support should be provided for all lines in low-revenue locations, in order to ensure that basic telecommunications is available to all customers. **There** is no reason to distinguish among technologies when customers can do that for themselves. Rural ILECs receive support based on costs; if costs remain steady, rural ILECs will receive support even if customers choose RCC over rural ILEC services. Our considerable experience with these matters is more than sufficient for us to understand the implications of our decision and to understand that **the** effect generally will be the **same** throughout the area served by RCC.<sup>28</sup> Customers may choose to *take* service from RCC, retain the services of the rural incumbent, or take service from both.

**G. RCC Need Not Show that Existing ETC is deficient.**

- 63 Rural ILECs contend RCC has not shown that service by existing ETCs is deficient. Rural ILECs contend that mobile wireless service is not used to provide basic service. Rather, it is used in addition to landline service to homes and businesses. They **express** concern that while current FCC rules do not decrease support for **one** ETC if an additional ETC is added, at some point the effect will be to force a cap on or restructuring of the federal universal service fund. Rural ILECs insist that we must determine through a full evidentiary process, a process that might typically take up to twelve months, that RCC's capabilities add value through "legitimate" competition.
- 64 Neither the Act nor FCC rules require us to determine that the service of one ETC is deficient before a state commission may designate an additional ETC. The standard is whether the designation of additional ETCs in rural areas is in the public interest, which is not synonymous with the best interest of the current ETCs, or with a need to find the existing ETC deficient.
- 65 The FCC has determined that mobile wireless service qualifies as basic **service**.<sup>29</sup> We do not believe we should constrain rural citizens to communication only from their

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<sup>28</sup> See Docket No. UT-970380, Staff Investigation into Deaveraged Universal Service Cost Support; UT-970345, Petition of United States Cellular Corp. for Designation **as** an Eligible Telecommunications Carrier; UT-980311 Universal Service Fund Issues; UT-013047, State Certification Under 47 U.S.C. 254(e) for Federal Universal **Service Funds**; **UT-013058**, Disaggregation & Targeting of Federal Universal Service Support Pursuant to 47 CFR 54.315 and FCC Order 01-157; UT-023020, Joint Petition of CenturyTel of Washington, Inc., and CenturyTel of Inter Island, Inc., for Approval of USF Disaggregation Plan; UT-023031, Non-Rural and Price Cap Disaggregation & Targeting of Federal Universal Service Support.

<sup>29</sup> First Report and Order, ¶¶ 47-49.

homes.” Indeed, wireless phones can be critically important for citizens who live and work in rural areas, where a road-side accident or a mishap on a farm can occur far from the nearest landline phone.

66 Rural ILECs are correct that current FCC **rules** do not decrease support for one ETC if an additional ETC is added. We take the FCC rules **as** we find them, and that includes its determination (with which we agree) that support should be provided for all lines, regardless of which carrier provides them or the technology used to provide the service. Concern about a cap or restructuring of the federal universal service fund is speculative at best.”

67 By referring to “legitimate” competition, the rural ILECs suggest that there is “illegitimate” competition that could result from **our** designation of RCC as an ETC. Even if we agreed with the rural ILECs’ notion of illegitimate competition, we do not agree that RCC’s service would result in illegitimate competition. RCC competes with the rural ILECs now, and we find nothing **unlawful** or inappropriate about its service. While ETC designation may improve RCC’s ability to compete with the rural ILECs, it will not change the nature of that competition.

## H. Conclusion

68 Granting ETC designation to RCC is in the public interest. It will facilitate the telecommunications choices available to rural citizens, support the growth of new technologies and services, preserve and advance universal service, and promote competition and the benefits it brings.

69 We bring to this decision the knowledge and experience that we bring to every decision, whether it be in an open meeting or in **an** adjudication. RCC’s petition is procedurally sufficient and RCC meets the qualifications for ETC designation. Because RCC meets the requirements for ETC designation, and because designation is in the public interest, we grant RCC’s petition as modified by this Order.

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<sup>30</sup> The FCC has **very recently a f f i e d** that mobile service can be basic service. See *In the Matter of Petition of the State Independent Alliance and the Independent Telecommunications Group for a Declaratory Ruling that the Basic Universal Service Offering provided by Western Wireless in Kansas is Subject to Regulation as a Local Exchange Service*, WT-Docket No. 00-239, Memorandum Opinion and Order, (August 2, 2002)

<sup>31</sup> The FCC has **addressed the false choice between universal service and competition**. First Report and Order. ¶ 50

**OTHER ISSUES**

70 We now address two remaining issues: petitioning the FCC for concurrence with our decision to grant ETC designation to RCC for parts of several exchanges, and production of electronic maps by RCC of its CGSAs. These are related because designation for parts of exchanges requires defining what geographic area is included, and production of electronic maps will assist in that **task**. In addition, production **of** electronic maps will assist RCC in claiming federal universal service funds to which it will become entitled, and those maps will also assist rural ILECs, the FCC (**through** the Universal Service Administration Company), and, if need be, this Commission, to determine the accuracy of requests for federal support that are based on customer location.

71 We understand FCC rules permit the Commission, a carrier, or **both** to petition for concurrence with ETC designations that are not based on study areas.<sup>32</sup> We believe RCC is in the better position to petition the FCC for concurrence with our designation for parts of exchange areas. We will order RCC to prepare and submit a petition consistent with this Order.

72 To petition for concurrence, RCC will have to prepare maps **of** its CGSAs. We have recently ordered rural ILECs to disaggregate federal universal service support and to prepare electronic maps as part of that activity.<sup>33</sup> Those maps will be filed **with** the Commission and will be available to RCC **for** use in preparation of its petition. We will order RCC to prepare maps with the same standards and attributes required of rural ILECs, and its maps must be filed with the Commission, where they will be available to rural ILECs.

73 The availability of electronic maps from rural ILECs and RCC will permit all interested persons to have an accurate representation of exchanges and service areas for the purpose of ensuring accurate requests for, and payment of, federal universal service support.

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<sup>32</sup> First Report and order. ¶ 188. *See also* 47 U.S.C. § 214(e)(5).

<sup>33</sup> *See* Final Order, Docket Nos. UT-013058 and UT-023020 (**August 2, 2002**).

## VI. FINDINGS OF FACTS

- 74 Having discussed above all matters material to our decision, and having stated  
general findings and conclusions, the Commission now makes the following  
summary findings of fact.
- 75 (1) RCC Minnesota (d/b/a Cellular One) is a telecommunications company doing  
business in the state of Washington.
- 76 (2) KCC currently provides service in all **of** the exchanges listed in Appendix **A**.
- 77 (3) RCC's petition satisfies the requirements of 47 U.S.C. § 214(e)(2).
- 78 (4) RCC offers all of the services that are to be supported by the federal universal  
service support mechanisms set forth in 47 C.F.R. § 54.101(a).
- 79 (5) RCC competes with rural ILECs and other telecommunications carriers **in** the  
exchanges where it serves.

## VII. CONCLUSIONS OF LAW

- 80 (1) The Commission has jurisdiction over the subject matter of this petition and  
over RCC with respect to its designation as an ETC.
- 81 (2) The Commission is not required by the Act or by any provision of state law  
to hold an adjudicative proceeding or other hearing prior to designating a  
telecommunication carrier an ETC.
- 82 (3) Granting RCC's petition for designation as **an** ETC in the exchanges listed in  
Appendix **A** is consistent with the public interest, and is consistent with  
applicable state and federal law.
- 83 (4) Granting RCC's petition for designation as an ETC in areas served by rural  
telephone companies is in the public interest.
- 84 (5) Requiring RCC to create electronic maps of its cellular geographic service  
areas is in the public interest.
- 85 (6) The Commission has authority to modify, suspend, or revoke the  
designations granted in this order at a future date.

**VII. ORDER**

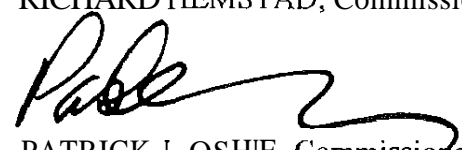
- 86 This Order decides issues raised in a non-adjudicative proceeding. Based on the  
foregoing, the Commission orders:
- 87 (1) The petition of RCC Minnesota (d/b/a **Cellular One**) is granted, **as** modified  
by this Order. Each **of** the requested designations set forth in Appendix A is  
granted. For each exchange and partial exchange, there is a separate  
designation.
- 88 (2) RCC must provide Lifeline service consistent with **47 C.F.R. § 54.405**
- 89 (3) RCC must prepare electronic maps of its service cellular geographic service  
areas with standards and attributes as described in the Commission's Order in  
Docket No. UT-013058 and UT-023020, entered **August 2, 2002**.
- 90 **(4)** RCC must petition **the** FCC **for** concurrence in designation as an ETC for  
areas that are parts **of** ILEC exchanges.
- 91 (5) The Commission has authority to modify, suspend, or revoke these  
designations, including the service areas accompanying those designations, at  
a future date.

DATED at Olympia, Washington, and effective this **14<sup>th</sup>** day of August, 2002.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

  
MARILYN SHOWALTER, Chairwoman

  
RICHARD HEMSTAD, Commissioner

  
PATRICK J. OSHIE, Commissioner

**APPENDIX A****NON-RURAL LEC EXCHANGES**LEC: Verizon Northwest, Inc. – WA (Includes Contel Exchanges)

Exchanges:	Loomis	<b>Lake</b> Wenatchee
	Molson	Stevens
	Tonasket	Leavenworth
	Curlew	Entiat
	Republic	East Wenatchee (partial)
	Newport	Rosalia (partial)
	Brewster	Tekoah
	Bridgeport	Thornton
	Manson	Oakesdale
	Chelan	Farmington
	Mansfield	Garfield
	Waterville	Palouse
	Cashmere	Pullman
	Wenatchee	

LEC: QWEST Corp. – WA

Exchanges:	Oroville	Deer Park (partial)
	Northpoint (parital)	Colfax
	Colville	Pomeroy
	Omak	Clarkston (partial)
	Coulee Dam (partial)	Dayton
	Pateros	Waitsburg
	Loon Lake	Walla Walla
	Elk ( <u>partial</u> )	Pasco (partial)
	Springdale (partial)	

**1.1 RURAL LEC EXCHANGES**LEC: CentruyTel of Washington, Inc.

Exchanges:	Kettle Falls	Inchelium
	Valley	Coulee City (partial)
	Winthrop	<b>Starbuck</b> (partial)
	Nespelem	Davenport (partial)
	Chewelah	Eureka (partial)
	Twisp	

LEC: Pend Oreille Tel. Co.

Exchanges:	Cusick	lone (partial)
	Metaline Falls	

LEC: ST. John Tel. Co.

Exchange:	Saint John (partial)
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LEC: Pioneer Tel. Co.

Exchanges:	Lacrosse	Endicott
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LEC: Inland Tel. Co.

Exchanges:	Uniontown	Prescott ( <b>partial</b> )
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LEC: Asotin Tel. Co.

Exchanges:	Asotin	Anatone
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LEC: M & L Enterprises d/b/a Skyline Tel. Co.

Exchange:	Mt. Hull
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